ous and so powerful that it would have been impossible to recognize them in any other capacity but as persons entitled to bear arms; and if we had not done so, and if their armed vessels found on the seas were treated as pirates, it must be obvious to every one that this would have been an unparalleled course of action. We were compelled to recognize the belligerent rights of the South, but there has been no desire on the part of the government to favor either the one side or the other. My earnest desire is to preserve strict neutrality; and, whatever may be my individual feelings—for we must have our sympathies on the one side or the other—whatever may be my feelings as a member of Parliament *and the executive administration, I believe it to be for the interest of England that this neutrality should be observed*; and, therefore, making the interest of my country paramount to all other considerations, I should suppress any feelings of sympathy for one side or the other, and endeavor to pursue a course *of strict neutrality*. (Applause.) I have a return here of various articles imported and exported, which is rather pregnant. During the eleven months of last year up to the 30th of November there were imported 18,084 tons of rags, against 15,308 tons in 1861, and the quantity of paper exported in the same years increased from £327,000 to $411,000, which proves that the paper industry of England must be on the increase. I find also that the aggregate value of British exports in 1862, as far as the returns are completed, amount to some £123,000,000 against £125,000,000 in 1861, and £136,000,000 in 1860. The quantities of the principal articles exported in 1862 are, with scarcely an exception (besides cotton), in excess of the quantities exported in 1861. The exports of cotton yarns were 91,500,000 pounds in 1862, against 178,000,000 pounds in 1861, and 197,000,000 pounds in 1860. The declared value will be about £6,000,000 in 1862 against nearly £10,000,000 in 1861, and £9,500,000 in 1860. These figures show a decrease of exports of cotton of ninety four per cent upon 1861, and of one hundred and fifteen per cent upon 1860; and, as regards value, of sixty four per cent upon 1861, and fifty-eight per cent upon 1860. I mention this to show that the policy of commercial freedom pursued by the government has tended to increase our exports, and would have continued to do so if there had been no civil war in America, and that the French treaty has gone far to counterbalance the loss which has arisen from the failure of the cotton supply. The exports to France, had the cotton exports been in proportion to other articles, as it would have been but for these unfortunate events, would have amounted to some £10,000,000 sterling. The exports to the United States in 1862 will probably amount to £13,500,000, against £9,000,000 in 1861, and £21,600,000 in 1860. *It is remarkable that, notwithstanding the Morrill tariff, the general requirements of the United States have necessitated an increase of exports from this country in 1862.* I think we have, therefore, a right to congratulate ourselves upon the success of the commercial policy which the liberals supported the government in carrying through Parliament the session before last; and if it had not been for this sound commercial policy the distress under which the country now labors would have been materially increased. We have almost made this American question an English one, and people discuss it with all the eagerness of those who are parties in the conflict. I think that to interfere by the expression of opinion to this extent would not be wise; and, for one, I should not go far in that direction; but I don't feel myself precluded from reverting to the past. Without undertaking to predict what will be the termination of the war, I will state what I believe to have been the cause and origin, *and what is necessary to be settled in order to secure a permanent and lasting peace.* (Hear, hear.) I have often been astonished to hear it asserted that slavery had nothing to do with this war, for somehow slavery must have to do with it, because it constitutes such a great distinction in itself between the two communities. I have examined documents of undoubted authority to ascertain what were the causes which the secessionist States themselves alleged as the ground for taking up arms, in order to separate themselves from the rest of the Union. The first State that separated was South Carolina. When they first seceded they published to the world a formal declaration of the ground of their secession, and the other States which followed seceded exactly upon the same grounds. Now, what were these grounds? The first part of the South Carolina declaration consists of an argument showing the legality of secession: that if they choose they have a right to secede: and the latter part goes on to state the grounds on which they think proper to coerce that secession. These were that a geographical line has been drawn across the Union, and all the States north of that line have united in the election of a man to the high office of President of the United States whose opinions and purpose are hostile to slavery. (Applause.) *It was not that President Lincoln had been elected contrary to forms of law, that there had been any violation of the constitution, but it was that he held opinions hostile to slavery.* In another part of this declaration they complain that the Northern States have assumed a right to decide upon the propriety of their domestic institution, and have denied the right of property established in fifteen States and recognized by the constitution; they have denounced as sinful the institution of slavery, and have further aggravated the curse by investing a great political question with the sanction of an erroneous religious belief; *therefore there is an end to the question that the Southern States did not secede on the question of slavery.* They have stated that it was on account of slavery, and nothing else. In fact, out of the four gentlemen who were nominated to the office of President, three hold opinions favorable to slavery extension and to the policy of the Fugitive Slave law; but Mr. Lincoln was distinguished from the rest by holding that Congress had a right to prohibit the extension of slavery into new States, and was opposed to the policy of the Fugitive Slave law. These were the opinions on which he was elected, and I must confess they appear to me to be very reasonable opinions. (Loud cheers.) *The South seceded in consequence of believing that slavery would not be safe under Mr. Lincoln's executive*, and that the carrying out of the Fugitive Slave law was not likely to be permitted. If Mr. Breckinridge had been elected, *there would have been no secession*, as he was the candidate of the South, in favor of the Fugitive Slave law, and of opinion that Congress had no right to prohibit the extension of slavery. Secession had taken place, and the consequent war for the purpose of perpetuating, cherishing and extending slavery. I don't believe that an empire having slavery as its basis can be a prosperous, happy and enduring empire, *and therefore cannot desire to see one established in any part of the world.* The bishops of the Episcopal church of the Confederate States have said that the abolition of slavery is hateful, infidel and pestilent. A voice—*"That's like parsons."* (Laughter.) *I, on the contrary, believe that slavery is hateful, infidel and pestilent.* I will not predict the course which the events of this war may take; but looking at the map, which I did to-day, it appears to me *that the geographical position of the North, so far as territory is concerned, is stronger than it was twelve months ago.* They have suffered great defeats, and they have had some successes; but I find that the North are now possessed of larger territory than they were twelve months ago. Missouri, which was then debateable ground, they now possess; also Kentucky and West Virginia, and a portion of Louisiana. It therefore appears that the territory which the North possessed at the beginning of last year *has not been lessened but increased in extent.* These are facts which all may ascertain for themselves. The right honorable gentleman then stated that our policy must be strictly neutral, that the proposal from France *for mediation had been respectfully declined*, that he should rejoice to see the war terminated, but that he thought we should abstain from interfering until the time came *when we might be asked to give our good offices. If we were invited by the proper parties to take part in any negotiations for peace then we might do so; but if we undertook that office without being asked, and before the proper time, it would not tend to the promotion of our amicable relations with America.*

After a few other concluding observations the right honorable gentleman resumed his seat amid loud cheers.

The Duke of Argyle on American Slavery.

[From the London Times, Jan. 22.]

At the annual meeting of the National Bible Society of Scotland, held at Edinburg on Tuesday, the Duke of Argyle presided, and made a lengthy speech on the subject of Bible circulation and interpretation.

The Duke said:—The Episcopal Church in America is an offshoot of the Church of England. It is a very large organization in that country. It is a very flourishing church; it embraces a large proportion of the population, especially in the Southern States. That branch of the Episcopal Church has had an ecclesiastical meeting in relation to the religious questions that are being agitated there. It included all the bishops of the slave States, and included in its ecclesiastical synods, on the Presbyterian principle, a representation of the laity. They addressed themselves to the question of slavery as it has existed in the Southern States of America. I am happy to say, and I am glad to acknowledge, that they recommend some amelioration in the condition of the slave. They have at last discovered—this great Christian church, with its paraphernalia of bishops, priests and deacons—not, I think, before the time—that the laws which have denied to the negro slave religious instruction and the blessings of domestic life are not laws which can be defended out of the Word of God. (Applause.) They have discovered that, I say, rather slowly as a church. It had been discovered long before by individual Christians, and perhaps by individual philanthropists who were not Christians. I am glad, however, that they have discovered it at last, although it is under suspicious circumstances—of outward pressure. It is not that, however, to which I wish to direct your attention. This great assembly of an important church goes on to declare, not that negro slavery is an evil of which it is difficult to get rid—for in that I could heartily sympathize with them—but that negro slavery is a system on which they are to plant their national life. Nor is that all. They go on to declare that the opinion which seeks for an ultimate abolition of slavery is not only a hateful opinion, but an infidel opinion. Now, that is the deliberate verdict of a great Christian church, with all the advantages of knowledge and of light derived from the Bible, and of what we should call a liberal organization, upon that which is a great crime, the great curse of their country and of their time, and the efficient cause of all the calamities which are now afflicting it. (Applause.) I really believe that it would be very difficult indeed to exaggerate the evil and the mischief of such enunciations of opinion as this coming from any Christian church. We must remember that the light of christianity has spread beyond itself. There are thousands of men in the United States who have a keen sense of the moral iniquity of the slave system, and whose opinions and views on what they call humanity and natural justice are views which are really founded, although they know it not, on the principles which christianity has laid down, on the precepts which christianity has made known, and on the spirit which christianity has spread even over the world that lies beyond it. What opinion are those men likely to have of the Bible, unless they go to it for their own instruction, when they see its appointed guardians announcing that to doubt the divine institution of negro slavery, with all its social injustice and iniquity, is an infidel opinion in the view of a great Christian church?

Mr. Lincoln's Allies in Exeter Hall.

BRITISH PHOTOGRAPH OF THE BRITISH ABOLITIONISTS OF TO-DAY.

[From the London Times, Jan. 20.]

* * * The vivacious and waggish President and his sombre and sad belongings, his Cabinet, his Congress and his riotous and exuberant press, have all passed with clumsy confusion, changing as their leader changed, from attitude to attitude, from grimace to grimace, never being at any moment natural or true, but always being consistent in a certain uniformity of contortion. Most of these attitudes required the "indispensable negro" as an accessory, and at this moment Mr. Lincoln and all his company are walking across the world's stage arm in arm with a rather reluctant negro; each "conscript Yankee," however, having his tongue thrust in his cheek, one of his thumbs pointed eastwards over his shoulder, and a finger of his other hand upon his lips. All the actors are earnest to tell each other that this is nothing but "Buncombe." Cassius Clay himself would sink in his own estimation if he thought his neighbors could imagine that he was a real emancipator for emancipation's sake, *or that he had any other object in view except to devastate the South by strong acts and to cajole the fools of Europe by fine words.* Mr. Cassius Clay, or any of his shrewd companions in these gesticulating orgies, would be enraged if any one of his own friends thought he could be seriously so silly as to be sincere. To be a philantropist at all would probably not be, in his opinion, very creditable to the shrewdness of the compatriot of a matter-of-fact people, whose facts are for the most part fictions; but to profess a philanthropy *which can never operate except as an agency of bloodshed, to be a liberator of other people's slaves and a conservator of his own*, to be a proscriber of the black race in the North and West, a slave master in the Middle States, and an emancipator in the South, is a contradiction which the smartest Yankee could not allow himself to be thought really capable of suggesting as worthy of serious belief by his own people. With his tongue in his cheek, then, and his thumb pointing over his shoulder Europewards, Mr. Lincoln bids his friends to understand that all he is doing is only intended to befool the governments and the people and the press of simple minded Europe.

Happily for the safety of the quiet mediocre members of the world's society, very remarkably clever people have always too high an opinion of their own cleverness, and rate the folly and credulity of the mass at too high a point. A man who thinks everybody else in the world a fool is very likely to end by finding himself thoroughly well appreciated. This is the present case of the pseudo emancipators of the North. Archbishop Whately, in his moderate and sensible letter to Mrs. Beecher Stowe, has stated with great accuracy the impressions made upon the people of England by these coarse and obvious attempts to entrap their sympathies. *No one in England believes that the Western Americans, who will not suffer a black man in their States, are actuated by any benevolent feelings towards his race* No one in England thinks that the citizens of the Atlantic cities, who are warring in order to recover the profits of slave labor, are honestly desirous to extinguish slavery. No one in England imagines that the President, who has over and over again declared that his object is to restore the Union, with slavery if he can, without slavery if he must, desires emancipation for itself. No one in England is dupe enough to credit that Mr. Seward, who has told his friends that if it would help to restore the Union he would force Massachusetts to become a slave State, has any horror of slavery. No one doubts in England, any more than any one doubts in New York, that if the South would to-morrow send a flag of truce to Washington, and offer to come back upon terms of the re-establishment of slavery in all its plenitude, and under the condition that the agitation of anti-slavery doctrines should be a penal offence all over the Union, the proposition would be received with universal rejoicings. The great mind of England is deeply impressed with the conviction of the truth of all this; and therefore it is that, hating slavery, but being all unmoved by the stage tricks of Mr. Lincoln and his friends in this matter, we look upon the American contest as a purely political quarrel, and tacitly hold our opinion that, as the cause of Italy against Austria is the cause of freedom, so also the cause of the South gallantly defending itself against the cruel and desolating invasion of the North is the cause of freedom.

* * * These persons, calling themselves "the Executive Committee of the Emancipation Society," went on Friday last to Mr. Adams, the American Minister, and presented him with a fulsome address, wherein they express equal gratitude to Mr. Lincoln both for liberating those slaves who are in the States beyond his control, and for keeping those in slavery who are in the States within his control; and they "invoke for these acts of freedom, justice and mercy the considerate judgment of mankind and the gracious favor of Almighty God." Mr. Adams had probably come fresh from reading the new volume of Congressional papers, wherein is printed a serious diplomatic correspondence upon the propriety of selling black men taken as plunder to the Brazils, and thus providing for some of the expenses of the war. He must have laughed heartily within himself to see the few woodcocks who had been caught in his springes brought before him. He listened with proper patience to the twaddling talk of the gentlemen who had come to lay their silliness at his feet, and he responded in a speech composed of the safest generalities. But what Mr. Adams said, or what any one else said, is nothing to our present purpose. We only desire to point out to foreigners a fact which is perfectly understood here by every one who reads the report. *The character of this exhibition is the strongest possible negative proof of the opinion of the English public in this business.* If this nation had really believed that Mr Lincoln was laboring for "freedom, justice and mercy," and not for conquest, oppression and massacre, all the chivalry of the old slave trade agitation would have led this movement. In person, or in their descendants, the Broughams, the Wilberforces, the Romillys, the Clarksons, the Buxtons, and the bearers of a hundred other names committed to that great cause, would have been in Mr. Adams' drawing room. The absence of these names shows what a sheer imposture the thing was. With busy Yankee agents in London, well provided with the means for "organization," nothing better could be managed than the collection of half a dozen nobodies, no one of whom is sufficiently known, or sufficiently and favorably known, to the English public to influence the opinion of any sane Englishman on any matter of political moment. Mr. Bright has been honest enough to confess that he speaks for himself alone, and has no party at his back. These gentlemen have not been so honest, and therefore it behoves us to do this office for them.

The Loss of the Monitor.

[From the London Times, Jan. 21.]

* * * Does Europe gain an experience in the loss of this first of the iron-clad warmonsters? It is evident she sank from the weight of her iron plating. It made her invulnerable in her fight with the Merrimac, but caused her loss when disabled in the open ocean. The seas that washed over her deck found their way down her funnel; she was soon waterlogged and sank. In this case the newest application of the oldest expedient of defence has produced something like a repetition of a disaster well known in ancient warfare. In certain circumstances the weight of his armor was fatal to the horseman who could defy sword and spear. The iron batteries that can fight in smooth water without risk are in imminent peril at sea, even with no enemy but the wind and waves. The first two vessels of the class have both perished, and both ingloriously. The Merrimac was destroyed purposely, to escape capture. The Monitor has disappeared in a sea that would not have been fatal to a vessel less formidable. Yet both did remarkable service in a great war, and have left their names in one of the most important chapters in naval history. The loss of the Monitor has excited enough attention to occasion an official inquiry into the cause of the disaster; and, as some of the crew escaped, it may be possible to ascertain whether any neglect contributed to it. But in the account of the wreck as it stands, there seems nothing inexplicable. She was not buoyant enough to live in a sea not excessively high, but such as may be expected on any coast at any season of the year. *We were taught one most valuable lesson by the Monitor*, and we must accept the evidence of defects as well as the proofs of advantages. In the last American intelligence there are items enough showing political, military and financial difficulties of no ordinary magnitude; *yet we doubt if any of them will attract as much notice as the loss of the Monitor.*

The Cotton Crop at the South.

REPORTS OF THE BRITISH CONSULS AT CHARLESTON AND SAVANNAH ON THE STOCK ON HAND—THE REBELS MANUFACTURING COTTON AND GROWING MORE BREADSTUFFS, ETC.

[From the London Times, Jan. 22.]

The following despatches from the British Consuls at Charleston and Savannah, on the subject of the cotton crop of 1862, have been received at the Foreign Office:—

CONSUL BUNCH'S REPORT.

BRITISH CONSULATE, CHARLESTON, Nov. 24, 1862.

MY LORD—With reference to my despatch No. 104, of the 13th August last, in which I had the honor to submit to your lordship certain information on the subject of the cotton then existing in the Southern States of America, I beg leave to state that I have taken some pains, now *that the crop of 1862 is gathered*, to ascertain whether any alteration is to be made in the estimate upon which my despatch was based. I find, after careful inquiry, *that a quarter of a million bales may be added* to the amount supposed to be on hand. It may, therefore, be roughly calculated that there remain in these States 4,250,000 bales of upland cotton, *which could be exported in the event of the ports being opened to trade.*

I beg leave to repeat that the "long" or "Sea Island" cotton does not enter into my estimate, for the reason given in my despatch No. 104.

It should be always borne in mind that the irregularity, and, in some instances, total suppression, of communication between portions of the Southern States render all cotton calculations somewhat arbitrary. R. BUNCH.

CONSUL MOLYNEUX'S REPORT.

BRITISH CONSULATE, SAVANNAH, Dec. 6, 1862.

MY LORD—As at this period of the year a tolerably correct estimate may be formed of the quantity of cotton produced the last season in the Southern States, I beg to submit to your lordship, for the information of her Majesty's government, the result of my inquiries respecting this important question, and to report more particularly on the production in the State of Georgia.

In former years Georgia was the chief cotton-producing State of the Union, but, as the cultivation of the plant became more extended, Mississippi and Alabama, from the rich quality of their lands, gradually surpassed her; Mississippi now holding the first rank, and Alabama the second.

According to reports *made to the Comptroller General of this State by the tax collectors*, the amount of land planted in cotton this year in Georgia is about 260,000 acres, yielding in round numbers 60,000 bales of cotton of 500 pounds each; ordinarily the production is 700,000 bales, requiring an area of about 3,600,000 acres. I am, of course, unable to report as accurately respecting the crops of other States, but the best information at my command strongly induces the belief that the entire crop gathered this year did not exceed 1,000,000 bales, proving the correctness of the approximate estimate transmitted to your lordship in my despatch, No. 16, of the 10th of May last.

The crop of 1861 was estimated at 4,500,000 bales. Deducting from the crops of 1861 and 1862 *the quantity of cotton which has run the blockade, the amount destroyed to prevent capture by the federalists, and the quantity used for home consumption, which, since the commencement of the war, has enormously increased*, being now fully 500,000 bales per annum, it will leave in the South not more than 3,500,000 bales. *The urgent necessity for the cultivation of breadstuffs* since the federal occupation of Kentucky and the best grain growing regions of Virginia, Tennessee and North Carolina, *and the consequent strong popular opposition to the planting of cotton*, together with other causes of hardly less importance, such as the entire want of bagging and rope necessary to put the cotton into merchantable condition, will tend hereafter to prevent any increase in the stock, possibly to diminish it; while, should the federals succeed in making further advances into the interior of the cotton growing States, *the cultivation of that plant will be entirely abandoned, and the negroes removed to the mountainous districts*, where breadstuffs alone can be raised. E. MOLYNEUX.

NAPOLEON'S LETTER TO GEN. FOREY.

British Opinion of Policy in Mexico and the Restoration of the Latin Race.

[From the London Times, Jan. 20.]

Among the most important manifestoes of the present French ruler must assuredly be reckoned the letter to General Forey, commander-in-chief of the expedition to Mexico, which we published yesterday. *Seldom has an extraordinary purpose been avowed with greater boldness.* We cannot but feel that we now learn the true reasons of the imperial policy, and the very means by which it will be carried out. *A startling frankness is again the chief weapon of Napoleon's diplomacy.* His great uncle did not more thoroughly revolutionize the art of war when he crushed pedantic tacticians by hurling his whole army at one vulnerable point than the present Emperor has changed the art of princely statecraft. *This letter is evidently written for the world to read.* Though dated six months ago, it is only now that its publication is opportune, for not until now has the French army been strong enough to advance upon Mexico. By the last advices they had begun the campaign in earnest. Tampico has been occupied; Puebla, which is only some sixty miles from Mexico, is reported to be taken; and the French are awaiting at this point the reinforcements which, as we know, have been already despatched. Whatever may be the resistance of the Mexicans, it cannot be supposed that they will succeed in barring the way to their capital. They have, it is true, shown an obstinacy which was hardly expected, and an obedience to the government which neither Juarez nor any other President was thought capable of enforcing. But their army cannot stand the shock of French columns. Troops accustomed to warfare, both in Italy and Algeria, must soon overpower the weak and hasty levies which defend the road to the capital. France is in possession of the seacoast, and can at any time enforce a blockade more complete than that which the federals maintain against the seceded States. The expedition can have, then, apparently but one end. The French will occupy the city of Mexico, the principal towns and seaports and all the public property; they will thus take into their own hands the whole government of the republic. So far as military occupation can effect it, Mexico will have become a conquest of France. The letter to General Forey is now made known to inform us how the Emperor will use the power which the strength of his legions gives him.

This letter, though six months old, represents a matured policy of France. It was written not only after the English and Spanish contingents had been dissociated from the enterprise, but after the Emperor became aware that Almonte had exaggerated the royalist tendencies of his countrymen, and after the repugnance of the people to French tutelage had become sufficiently plain. It may, then, be fairly supposed to contain the present opinions of Emperor on the great transmarine enterprise of his reign; and we have no doubt that his generals will act strictly in accordance with it. The designs of the invaders and their plan of action as it will be unfolded during the next few months are, therefore, before us.

But when this conquest has been achieved *the turn of the able administrator comes*, and that he will have full scope for exercising all his ingenuity must be allowed, when we reflect that his task is to obtain the sanction of the whole Mexican people for a form of government proposed to them by a conquering enemy and by the party among themselves which has joined him. There is a plainness that is almost amusing in the Emperor's directions in respect to the latter. "The principal persons of all political shades who have embraced our cause" are to be formed into a provisional government, and this government "will submit to the Mexican people the question of the political *regime* which is to be definitely established." Far be it from us to say that the most complete freedom of choice will not be given to the Mexicans, but, with a French army in the city, and a French party wielding the unbounded powers of a provisional government, the courage which can organize an opposition must be rather more than Mexicans are usually supposed to possess. Nor does the Emperor leave us in doubt of the direction which he wishes universal suffrage to take. To restore a monarchy on that republican ground, to plant a Latin throne as a barrier to the ambitious Anglo-Saxon democrats of the North, is his great scheme. "If the Mexicans prefer a monarchy, it is for the interest of France to support them in that path." Such is his announcement, and nothing is more likely than that when the French General issues his *Conge d'Elire* he will be ready with some young prince recommended by his Majesty as a more fitting ruler than a half caste President.

But it is in his reference to another nation that the frankness and boldness of Napoleon are most conspicuous. The Emperor addresses General Forey in language which might rouse to anger a less excitable people than that of the United States. If the federals are not too much absorbed in the imagination of British perfidy and malice, *they will probably show their resentment at the Emperor's proposal to limit their power.* Passing beyond the bounds of military instruction, he gives to the General an explanation of his motives for embarking on a costly and tedious enterprise. He says that there are people who will ask why France should expend men and money to found a regular government in Mexico; and his answer to such inquirers is that "We have an interest in the republic of the United States being powerful and prosperous, but not that she should take possession of the whole Gulf of Mexico, thence command the Antilles, as well as South America and be the only dispenser of the products of the New World." *To avert the domination of a single race is the avowed design of the French Emperor*, and were the Mexican expedition no otherwise remarkable it would have a claim to be remembered *as the first serious attempt of Europe to resist the advances of the American democracy and establish a balance of power on the Western continent.* Six months ago the chances of the whole country from the Gulf to the St. Lawrence being possessed by a single republic were, perhaps, greater than they are now, but in interpreting Napoleon's ideas we must remember that from his point of view *federal and Confederate are all one. The ambition of Anglo-Saxons, however divided among themselves, must be fatal to the Mexicans unless these can be brought under a stable and respected government.* "To restore to the Latin race on the other side of the Atlantic all its strength and prestige;" "to give security to our West India colonies and those of Spain;" and "to establish our friendly influence in the centre of America," are objects equally attractive to France, *whether her rival be the restored Union, or the not less warlike and ambitious confederacy of President Davis.*

A FRENCH PAPER WARNED FOR CALUMNIOUS ALLEGATIONS RESPECTING THE WAR.

[Paris (Jan. 21) correspondence of the London Times.]

Another paper—the *Journal de la Cote-d'Or*—has been visited with a warning for an article on Mexican affairs, and for repeating a rumor that the Italian Minister in Paris had made a journey to Turin. No specific charge is stated; there is only the general allegation that the article contains, on the events in Mexico, "calumnious allegations, having for their object to throw discredit on the government."

[From the London News, Jan. 21.]

* * * Such is the latest manifesto before which the Old World and the New are invited to bow down in silent homage and wonder. We are inclined to believe that they will do nothing of the sort. But if France is not prepared to waste all her strength and prestige in propagating Napoleonic ideas beyond the Atlantic, we would respectfully urge the independent Opposition of Five to draw up a postscript, in the form of an amendment, to this letter of the Emperor to Gen. Forey.

Napoleon's Reinforcements.

HOW FIVE HUNDRED NEGROES WERE KIDNAPPED AND TRANSPORTED TO MEXICO.

[Alexandria (Jan. 8) Correspondence of London Times.]

The *Independance* of the 28th ult., and, I believe, *La France* and one or two other French papers, received here two days ago, contained a statement that the Viceroy of Egypt had agreed to supply the French government with a regiment of one thousand negroes to serve with the French army in Mexico. The men, it was added, would be embarked on board the government transport La Seine, which arrived here a short time ago with troops for Cochin China, and would be conveyed direct from Alexandria to their destination in America.

Nothing whatever had been heard in this country on the subject, and we are not accustomed to see a State secret so strictly kept that a whisper of it does not get abroad. The thing seemed, moreover, too extraordinary to be believed. But we have had no time to enter into any discussion on the subject. *The Seine has actually sailed from Alexandria with some four or five hundred of the Viceroy's negro soldiers.* The men had been brought down from Cairo in the usual manner, little suspecting what was going to befall them. Late last night a body of police was sent down to the harbor, where they seized all the boatmen they could lay their hands upon and despatched them to Meks, a place at the entrance of the harbor, some three miles beyond the terminus of the railway, and where the Isthmus of Suez Canal Company has opened its quarries. The Seine meanwhile had got up steam and was lying off the same spot. *With the assistance of the boatmen, the operation of embarking the unfortunate emigrants was soon performed.* Early this morning all was over, and so well had the thing been managed that the Seine was miles away out at sea long before there was even a suspicion in town of what had happened.

I need hardly say that the event has produced considerable excitement. Has this, it is asked, been done with the consent of the Sultan, and if so, how will the Porte account for so flagrant a breach of its neutrality in the war between France and Mexico? Or if not, what explanation will the Viceroy be able to offer? He may possibly answer that the men are not entitled to the privilege of being regarded as subjects of the Sultan, that they have been kidnapped or bought beyond the frontiers of the empire, and that, although destined to be formed into troops, they are his own personal property, and, according to all Mussulman law, at the absolute disposal of their master. But such an argument would be weak in more respects than one, and would be open to manifest objection. We have heard a great deal about "voluntary recruits" to another great undertaking, at a place very much nearer Alexandria; but in this instance it is surely altogether impossible that such a plea should be attempted.

It is said that the men are required to perform the rough work of the camps in Mexico, for which Europeans have been found altogether unfitted, and which, it is asserted, the negroes, from being inured to the effects of a tropical climate, will be able to undertake with impunity. But no person, of course, expects that a single one of these unfortunate creatures will ever return to Egypt to give an account of his experience in the New World.

Among the native inhabitants of the town the news has produced no small consternation. It is not, perhaps, that they feel much sympathy for the blacks, but many among them, and more especially the Berberis or Nubians, feel that their skins are not so fair but that they might also be looked upon as proof against pestilential fevers and *vomito prieto.* It has indeed been rumored, and very extensively believed, that some of the townspeople had been impressed and sent off; but the report, I believe, is without any foundation.

The Cabinet of Spain.

MARSHAL SERRANO, LATE CAPTAIN GENERAL OF CUBA, MINISTER OF FOREIGN AFFAIRS.

[Paris (Jan. 21) correspondence of London Times.]

Marshal Serrano, it appears, has accepted the post of Minister of Foreign Affairs, so that the Madrid Cabinet is now completed. How long it will keep together is another question; but O'Donnell is still the life and soul of it. One only, I believe, has had no place in former ministries—Admiral Bustillo, ex-commander of the naval station at Cuba. Bustillo is said to be a good officer.

Vigo Urmigo has been merely shifted from the Department of Commerce (*Fomento*) to the Interior.

Pastor-Diaz is an old hand; he was at the Foreign Office in 1856, while O'Donnell was concocting his plan for overthrowing his unsuspecting chief, Espartero.

Lujan is, or was, a liberal of the well meaning and thoroughly honest San Miguel and Calatrava school, and had been Minister under Espartero. The English bondholders will have heard with a cold shiver that the repudiating Salaverria is kept at the head of the Finance Department. "Deny that I owe you fifty crowns," exclaims Figaro, with virtuous indignation to the sceptical Bartholo. "I had rather owe you the money all my life than deny it one single instant." Salaverria goes a step further; he denies it altogether.

The new Minister of Foreign Affairs, says the ingenuous *Patrie*, is one of the purest military illustrations of Spain. His entire career has been consecrated to the defence of the Crown, and has been marked throughout by proofs of devotion to the liberal cause. Had the *Patrie* said that Marshal Serrano had been one of the most lucky of all Spanish generals, past or present, it would be more intelligible. Serrano has certainly some qualities that several of his brother generals of the same standing cannot boast. He has never, so far as I have heard, been cruel or regardless of human life; and he has not shown himself a ruthless tyrant when he had the power. I have never heard his name associated in acts of great oppression and wanton persecution, and he has never sent people into exile or prison for a harmless joke, like other of the "purest military illustrations" of the day. During his command in Cuba it was generally admitted that, unlike so many of his predecessors, he kept his hands free from the pollution of slave money; and he has won there a popularity which so few of them could lay claim to. Indeed, on more than one occasion he acted with remarkable tact and temper, and by refraining from constant intermeddling with the population from offensive ostentation, he succeeded in conciliating to the mother country many Cubans who, until he ruled the island, were not unwilling to be detached from it. During his embassy in Paris he was greatly liked by all who had any intercourse with him. In Spain he was engaged in the *pronunciamientos* that terminated successfully. In 1843 he joined the rising against the Regent, was appointed Minister when the Regent fell, and got his promotion as Lieutenant General. In 1846 his influence at Madrid was so high as to endanger the Ministry, at the head of which was the Duke of Sotomayor. The government attempted to remove him from Madrid, on pretence of giving him a command in the provinces, but the government fell in the attempt, and a new ministry, favored by him, was formed. This, again, gave way, and Narvaez, who seems to be now forgotten, was called in, and Serrano appointed Captain General of Grenada. As Senator he opposed the various ministries that succeeded each other till 1854. He shared the triumph and its consequences of the Vicalvarists in that year, supported the Espartero-O'Donnell Ministry, and got the place of Captain General of Artillery. As the time was at hand for getting rid of the simple minded Espartero, Serrano was removed to the more important post of Captain General of New Castile, which placed Madrid in his hands; and when the moment came for making a choice between Espartero and O'Donnell he, of course, sided with the latter. The success of the *coup d'etat* against Espartero in 1856 was pretty certain from the beginning, and O'Donnell showed his gratitude to his friend by raising him to the rank of Field Marshal (Captain General of the army) and giving him the Paris embassy. When O'Donnell himself fell, in 1857, Serrano was recalled. He resumed his place in the Senate, where he opposed Narvaez, the new Premier, who never had a chance of maintaining himself, until Narvaez once more fell, and O'Donnell was once more named to the post, which he has filled to the present day. Serrano was soon after sent as Captain General to Cuba, from which he has now returned with a grandeeship and the title of Duke de la Torre, and the first news that greets him on landing is that he is named Minister of Foreign Affairs. He may yet be Premier, in place of O'Donnell.

Marriage of Marshal Canrobert.

Marshal Canrobert was married on the 20th of January to Miss McDonnell, at the British Embassy in Paris, and also at the chapel of the Senate. All the French marshals now in Paris were present at the ceremony.

Obituary.

The death is recorded of M. ANDRYANE, the former companion in captivity of Silvio Pellico, at Spielberg.

HORACE VERNET'S FUNERAL.

[Paris (Jan. 20) correspondence of the London Times.]

The funeral of Horace Vernet took place yesterday, and though the custom of sending round invitations was not observed, a considerable number of the members of the Institute and the Academy of Fine Arts were present. Six persons only had been requested by the deceased to accompany his remains to their last resting place. Among these were Marshal Vaillant, General Lowenstein, and MM. Lenoir and Yvert. Horace Vernet had expressed his earnest desire that no decorations of any kind should appear on the catafalque, that no speech should be delivered over his grave, and that no high functionary should be his pallbearer. The two young sons of the late Paul Delaroche, Vernet's son-in-law, were the chief mourners. The Emperor sent one of his Chamberlains to attend the funeral.

Commercial Intelligence.

THE LONDON MONEY MARKET.

[From the London Times (City Article), Jan. 22.]

During the earlier hours of business the English funds were firm to-day (21st) at the slightly improved prices of yesterday; but there was ultimately a tendency to reaction, consequent on an idea that the Bank of France may resolve on a fresh advance to six per cent in their rate of discount to-morrow, and thus necessitate another step on the part of the Bank of England, which otherwise would not be immediately anticipated. The only quotations of consols throughout the day were 92½ a ⅝ for money, and 92¾ a ⅞ for the account, although after regular hours transactions could not have been effected except at a fractional decline. Bank stock closed at 235 a 237—a reduction of one per cent. New three per cents and reduced were in demand for investment, and are at 92⅝ a ¾—an improvement of an eighth.

The general demand for discount was not heavy to-day, and the applications at the Bank were moderate. In the Stock Exchange the rate for short loans is 2½ per cent.

The market for foreign securities was rather strong in the morning, but ultimately, in nearly every case, a relapse was exhibited.

There were no gold withdrawals from the Bank to-day. The Yorkshire has arrived from Australia with £303,636 in gold. This amount will for the moment meet the Continental demand, and *if the arrivals from America by the next few steamers should prove large, as will probably be the case, the drain from the Bank of England may at least for a week or two be suspended.*

The last price from Paris this evening (21st) was 70f. 5c., showing a recovery of an eighth.

AMERICAN SECURITIES AND RAILROAD STOCKS.

Maryland 5 per cent	71	a 73
United States 5 per cent, redeemable 1874	60	a 62
Virginia 5 per cent	48	a 50
Do., 6 per cent	46	a 47
Atlantic and Great Western, New York sec. 1st mortgage, 1880, 7 per cent	70	a 71
Do. Pennsylvania, 1877, 7 per cent	70½	a 71½
Erie shares, $100 (all paid)	46	a 47
Do., 7 per cent preference	66	a 68
Do., 1st mortgage, 7 per cent, 1867	81	a 83
Do., 2d mortgage, 7 per cent, 1859	75	a 85
Do., 3d mortgage, 7 per cent, 1883	73	a 75
Do., 4th mortgage, 7 per cent	69	a 71
Do., 5th mortgage, 7 per cent	65	a 70
Illinois Central 6 per cent, redeemed 1875	78	a 80
Do., 6 per cent, 1875	77	a 78
Do., $100 shares ($90 paid), dis	40	a 39½
Do., $100 shares (all paid)	54	a 55
Michigan Central, conv., 1869, 8 per cent	77	a 80
Do., sinking fund, 8 p. c. 1st mortgage, '82	78	a 82
Michigan Southern & Northern Indiana sinking fund, 1885, 7 per cent	68	a 72
Do. $100 shares	25	a 28
New York Central 6 p. c. sinking fund, '83	70	a 75
Do. 7 per cent, 1864	70	a 75
Do., 7 per cent, sinking fund, 1876	75	a 80
Do., 7 per cent convertible bonds, 1876	75	a 80
Do., $100 shares	72	a 74
Panama Railroad, 1st mort., 7 per cent, 1865	103	a 105
Do., 2d mortgage, 7 per cent, 1872	103	a 105
Pennsylvania Railroad bonds, 1st mortgage, 6 per cent. convertible	75	a 78
Do., 2d mortgage, 6 per cent convertible	86	a 88
Do., $50 shares	38	a 40
Philadelphia and Reading RR. $50 shares	25	a 28

LIVERPOOL COTTON MARKET.

LIVERPOOL, Jan. 21, 1863.

The cotton market continues dull, and this day's transaction do not exceed 4,000 bales—one-half on speculation and for export. Prices are ⅛d. a ¼d. per lb. lower than last Friday's quotations.

LIVERPOOL BREADSTUFFS AND PROVISION MARKET.

LIVERPOOL, Jan 21—Evening.

Breadstuffs quiet and steady. Corn firm. Provisions heavy.

THE LONDON PRODUCE MARKET.

LONDON, Jan. 21, 1863.

SUGAR.—The market continues dull, and of 359 hhds. Porto Rico at auction only about half sold; low to good pale yellow, 36s. a 41s.; bright grocery, 41s. a 43s., and about one-third of 2,460 boxes Havana, low to fine pale yellow, 36s. a 41s.; middling to fine strong refining, 38s. a 42s.; good bright grocery, 39s. 6d., and florettes (duty 16s.), 42s. a 43s. 6d.; 1,433 bags Mauritius sold at a decline of 6d. per cwt.; middling to good crystallized, 39s. a 41s. 6d., and fine (duty 16s.) 43s. a 44s. 6d. per cwt. Of West India, 400 hhds. had been disposed of, and privately 2,800 bags brown Mauritius at 29s. per cwt.

COFFEE.—At auction to-day 220 casks 170 barrels and bags plantation and 120 casks 30 bags native Ceylon sold at fully yesterday's prices. 1,235 packages Mocha were chiefly disposed of at 90s. a 93s. 6d., and a few lots Malabar at 76s. 6d. per cwt.

TEA SALES.—Second Day—The sales were resumed this morning, when 10,715 packages passed, of which 3,727 were sold, 2,214 being "without reserve." The sales went off steadily, and show no materia change in prices. Several parcels of good Canton young hysons sold at 1s. 1½d. a 1s. 2½d. Most of the scented teas offered were bought in, one break of Foo Chow scented caper realizing 1s. 11¾d. a 2s. per lb. Some Amoy congou and souchong were sold at 1s. 2½d. to 1s. 3d., and 1s. 4½d. a 1s. 4¾d. per lb. The sales will be continued to-morrow.

RICE.—About 1,500 bags Bengal have changed hands at 12s. 9d. for middling old and 8s. 9d. for good Ballam, and 2,900 bags Bassein at 10s. per cwt.

SALTPETRE.—The business amounts to 700 bags Bengal at 37s. a 37s. 6d. for 5¾ to 4½ per cent refraction.

JUTE.—Of the 7,000 bales offered at auction to-day about half found buyers on rather easier terms. Common to fine £20 10s. a £29 per ton.

TALLOW.—The tallow market is firm to-day; 44s. 9d. is paid on the spot and for January to March; 45s. to 3d. is the price for March, and the same for April to June; and 46s 9d. a 47s for October to December.

LONDON CORN AND FLOUR MARKET.

MARK LANE, Jan. 21.—The fresh arrivals of English and foreign grain since Monday have been moderate, but there was sufficient offering for the present demand. English and foreign wheat remains nominally the same as on Monday. Flour sold in retail at previous rates. No quotable change took place in the value of malt. Barley met rather a better inquiry, and is firmer in price. Beans and peas steady. Oats are more saleable, and firm at Monday's currency.

FINANCIAL AND COMMERCIAL.

SUNDAY, Feb. 8, 1863.

The importation of foreign merchandise at this port exclusive of dry goods, for the week ending yesterday was $2,041,379, to which add imports of dry goods invoiced at $1,376,891, and the aggregate imports of the week will foot up $3,418,270. Against this we exported $3,381,973 of domestic produce and merchandise, and $916,755 of specie, amounting together to $4,298,728. The trade of the week thus leaves a substantial balance in favor of the port. The prosperity created by the war creates a demand for foreign finery which will naturally tend to swell our importations of foreign silks, jewelry and other luxuries. The great retail establishments are selling more goods and more expensive styles than they ever did. But, on the other hand, the poor are curtailing their consumption of tea, sugar, coffee and other foreign goods; so that, on the whole, there is reason to believe that, notwithstanding the extravagance of army contractors, &c., the high price of exchange will eventually produce its natural result in the reduction of our importations. The manufacturing interest is growing rich by the war. No protective tariff ever afforded so much protection to domestic industry as is secured by the present high price of gold and exchange. If, with bills at 173, our manufacturers cannot continue to drive foreigners out of the market, it will be idle hereafter to argue that protection is needed for the development of native industry. Money is now abundant enough to enable every really promising field of enterprise to be thoroughly worked. If a year hence we are still forced to rely upon Europe for any description of manufactured goods, it may be held as demonstrated that protection is not what is required for the full success of American manufactures.

Money was active last week, though less so at the close than at the commencement of the week. Some of the private bankers, who deal in money and stocks, continued their efforts in the early part of the week to cause a stringency in the money market, with a view of getting higher rates for their loans, and buying stocks at lower prices. No more important result flowed from the demonstration than the slaughter of some weak operators in stocks. Latterly a number of merchants and moneyed men have got into the habit of depositing their balance with established stock commission houses at the market rate of interest, and on ample margin. This system, which prevails extensively in Europe, tends to emancipate the brokers from the control of the private bankers of Wall street, and, on the other hand, enables merchants and moneyed men to earn 5 a 6 a 7 per cent, as the case may be, upon their balance over night. At the close of bank hours yesterday money was freely offered at six per cent on call. First class commercial paper sold at 5½ a 6½ per cent. Government certificates of indebtedness were a shade better, and were wanted at 94 per cent. Attempts are being made by bankers to keep up the price of money by spreading statements to the effect that the new interest bearing Treasury notes will act as absorbents, and will draw the deposits from the banks. But people are not likely to be long deluded by such shallow theories. Neither the banks nor the depositors in bank are in a position to absorb Treasury notes until they are supplied with more legal tender notes than they have at present. The recent report of the Bank Department shows that all the banks and all the people in this State could not now take and pay for more than $20,000,000 of the $400,000,000 Treasury notes which it is proposed to issue. If the notes are made a legal tender—as proposed by the Senate—they will be eagerly accepted by the people, and will circulate freely as money until they come to bear a considerable amount of interest. If they are merely exchangeable for legal tenders—as proposed by the House—the first which are issued will be rapidly exchanged by the banks, for the sake of increasing their supply of legal tender money to meet depositors' checks. Eventually they may be used by country and savings banks as an investment. But at present there is no loose money here seeking investment, which, in the present condition of the currency, and with the present prospects of the country, is likely to flow in that direction. The pretended Secretary of the so-called Confederate States tried the effect of interest bearing Treasury notes some months ago. According to the financial statement of the rebel Treasury Department—published in the HERALD a few days ago—it would appear that quite a large amount of these interest bearing notes have been floated at the South. But they did not have the effect of making money dear at Richmond, or of checking the inflation which has quadrupled the currency price of all kinds of property in the rebellious States. They circulate as money, and, though some are hoarded as the period approaches for the payment of interest on them, they really operate rather to aggravate than to check the depreciation of the rebel currency. They are in fact, there as here, nothing more and nothing less than paper money; and, under all circumstances, paper money must depreciate, and the current rate of interest must decline, in the ratio of its issues.

Gold was less active last week than during the week previous. After selling at 160 it fell to 156, and closed yesterday at about 156¼. Exchange sold at one time as high as 177, but closed yesterday at about 173. The expediency of taxing speculation in gold is being actively discussed, both at Washington and at Albany. Sound opinion in Wall street is settled on the point that it is inexpedient to attempt to check the advance in gold by legislative enactment. It is believed, in the first place, that no law that could be devised would achieve the desired result, because it would be in violation of the supreme law of trade which declares that issues of paper money must cause gold to appreciate; and, secondly, that any legislative restriction upon the freedom of trade in gold would alarm the community at large and rather increase than diminish hoarding. At the same time, when the country needs revenue from every source, and every honest trade is taxed to its utmost capacity, we see no reason why the gold speculators should not contribute a portion of their gains to the national exchequer. A tax of one-eighth of one per cent on all sales and purchases of gold made at either of the stock boards, or at auction, or at a broker's office, would not operate to prohibit dealings in gold, and at the same time would yield a considerable revenue. The act should pronounce all contracts void unless the tax were paid. This is about as far as sound discretion would justify legislative interference with the trade in gold.

The Senate will probably take action to-morrow or next day upon the amended financial bill which was reported on Friday by Mr. Fessenden, from the Finance Committee. We learn that the House committee, keenly conscious of the value of time, have already opened informal negotiations with the Senate committee, with a view to obviate the necessity of a formal conference, which would necessarily involve delay, and that the representatives of the House express their willingness to yield to the Senate in the matter of the "pet banks," the amount of bonds and their length, and the provision rendering the Treasury notes a legal tender, provided the Senate will yield to the House on the proposed issue of $300,000,000 more legal tender notes. It is argued by the House managers that the first duty of Congress is to leave the finances in such a condition that there shall be no risk of any want of money to pay the troops, and that the best way to fulfil this duty will be to invest Mr. Chase with plenary authority. An act authorizing the issue of $300,000,000 legal tender, $400,000,000 Treasury notes and $900,000,000 long bonds would render the Secretary master of the situation, and would, on the one hand, leave him free to provide money by the method which he might deem most expedient, and on the other would clearly devolve upon him the responsibility of any financial failure. Under such a law he could either borrow on long bonds or borrow on short bonds, or issue his legal tender paper, as, in his judgment, the circumstances of the country and the temper of moneyed men and banks might justify; and with such plenary powers he alone would be responsible if the soldiers remained unpaid or the government failed to keep faith with its creditors. If, on the other hand, Congress undertakes to restrict his freedom of action, and tie him down to the use of this or that financial resource exclusively, events may occur during the recess which may render that resource unavailable, and in that event the responsibility for the non-payment of the troops and the insolvency of the government would rest upon Congress. But little more than three weeks of the present session remain: there is no time to be lost.

A prominent Boston merchant has transmitted to Mr. Cisco a financial scheme which deserves more attention than most of the plans emanating from amateur financiers. The writer shows clearly that the only reliable source of the government at present is the continued issue of paper money. Starting from this standpoint, he argues that the chief evil to be apprehended from the use of paper money is the export of specie to foreign countries. This danger can be obviated, in his opinion, by the negotiation in London, at regular intervals, of a sufficient amount of United States bonds to keep the balance of trade in our favor. At the present rate of exchange we could afford to sell bonds in London so low as to tempt investors and speculators; and even if, in order to secure a sale, we were compelled to accept prices lower than the market value here, the loss would be unimportant in view of the advantage of keeping our specie at home. A sale of $30,000,000 of bonds in the course of a year would probably keep the balance of trade in our favor. The scheme has been transmitted by Mr. Cisco to Mr. Chase, and will probably receive careful consideration.

The following table shows the course of the stock market for the past week and month:—

	Jan. 10.	Jan. 17.	Jan. 24.	Jan. 31.	Feb. 7.
U.S.6's, regist'd.	97	95	95	92¾	92¾
Virginias	64	64½	69	71	73
Tennessees	61	61½	63	63	61½
Missouri 6's	66	64½	66½	65½	65½
N. Y. Central	115	117¼	120½exd	119¾	119¾
Reading	86½exd.	88	—	91½	90
Erie	70½	75	79¼	75½	78¼
Erie preferred	100½	104¼	106¼	106¼	100xd
Michigan Central	94½	95¼	98¼	97	96½
MichiganSouth'n	48½	52	64½	59	60½
South. guarant'd	92½	90	105¼	105	105¼
Illinois Central	86½	91½ex-d.	96½	94	92
Galena	87	91¾	96	92¼	92¾
Rock Island	86¾	90¾	95	91¾	92
Toledo	83½	94½	93¼	90¾	90¾
Panama	180	180	184½	187	182
Hudson River	90½	93¼	95¼	93¾	94
Pacific Mail	149	155	177	169	170
Gold	138¼	146⅞	150	168¾	156¾

The above table shows that prices have not varied much since last Monday. During the first half of the week there was a pressure to sell stocks, based on unfounded rumors with regard to the action of the Senate on the financial measures of government; but for the past day or two the tendency has again been upward. There are indications that a good deal of the money which has been used in gold speculations is being transferred to stocks. A currency panic—which is so confidently anticipated by the bulls in gold—would not alter the value of sound dividend paying stocks, and, in the event of such an occurrence, the holder of reliable property, yielding a regular income, would be as well off as the holder of gold. Gold is in fact liable to a large number of accidents to which other descriptions of property are not exposed. Congress or the Legislature may throw obstacles in the way of the traffic in gold, which, though they may be very unwise and ineffectual to accomplish the desired end, may still embarrass holders. Victories might any fine morning cause a stampede in gold; and, the margin for a fall being 56¼ per cent, a decline of 25 per cent in a day would not be impossible. These and other similar reasons—which readily occur to the mind—appear to have diverted a good deal of speculation, within the past day or two, from gold to merchandise and stocks. All descriptions of merchandise are higher than they were, and are advancing steadily. Railway property is rising in public favor, in consequence of the large earnings of the roads and the prospect of a continuance of increased traffic which grows out of the prosperity created in the interior by the paper money system. The leading roads—New York Central, Erie preferred, Michigan Central, Galena, Rock Island, Illinois Central and Hudson River—have all paid dividends within a short time, and many of them have already earned a good deal of money towards a midsummer dividend. Dividends will probably be paid within a few months on the Cleveland and Pittsburg, Chicago and Alton, Terre Haute preferred, and other properties which have gone through a process of reorganization. Paper money is going to lift our entire railway system out of its difficulties. Floating debts are being rapidly paid off, and in a short time there will not be a leading road in the country encumbered with such liabilities. The depreciation of the currency, which is doing so much mischief in other respects, is going to be the salvation of the railway companies, and will probably raise railway investments as high in public esteem as they stood prior to the year 1856.

CITY COMMERCIAL REPORT.

SATURDAY, Feb. 7—6 P. M.

ASHES.—Sales were made of 40 bbls., at 8⅝c. for pots and 8¾c. a 9c. for pearls. Stock, 689 bbls.

BREADSTUFFS.—Flour was heavy and lower, with sales of 8,500 bbls State and Western, 1,100 do. Southern, and 700 do. Canadian, within our revised range:—

Superfine State and Western	$6 90	a 7 15
Extra State	7 30	a 8 00
Common to choice extra Western	7 40	a 9 00
Canadian	7 45	a 9 25
Southern mixed to good superfine	7 65	a 8 10
Extra do	8 15	a 9 50
Good to choice family do	9 75	a 10 50
Rye flour	3 60	a 5 00
Corn meal, Jersey and Brandywine	4 15	a 5 00
Corn meal, Brandywine, per puncheon	22 00	a 23 00
Buckwheat flour, per 100 lbs	2 50	a 3 00

—Wheat was a shade lower and dull. Sales were made of only 55,000 bushels at $1 90 for white Western, $1 63 a $1 75, for red and amber Western, $1 52 a $1 70 for Milwaukee club and amber spring, and $1 41 a $1 55 for Chicago spring. Corn was declining, sales having been made of 105,000 bushels mixed Western at 93c. a 94c., mostly at 94c. for sound; 82c. a 93c. for unsound and heated, and 98c. for Western white and yellow. Rye continued quiet at $1 03 a $1 12. Sales were made of 1,000 bushels barley at $1 50 a $1 60, and 400 bushels malt at $1 60. Oats were in active demand at 66c. a 75c., according to quality.

COFFEE.—Was in limited demand and was unchanged in price. We quote:—Rio, prime, at 33c.; do. good at 32c. a 32½c.; do. fair at 31c. a 31½c.; do. ordinary at 30c. a 30½c.; do. fair to good cargoes, 31c. a 32c.; Java, mats and bags, 35c. a 36c.; Maracaibo, 31c. a 33c.; Laguayra, 30½c. a 32½c.; St. Domingo, 29c. a 29½c.

COTTON was decidedly brisker and was quoted up to 87½c. a 88c. for middlings, with sales and resales of 2,400 bales reported.

FISH.—A good inquiry prevailed for dry cod, and mackerel at a shade firmer prices, while salmon and herring were inactive.

FREIGHTS were quiet and rates on American vessels lower. To Liverpool there were shipped 8,500 bbls. flour at 1s. 9d. a 1s. 10½d., and 2s. 3d. a 2s. 6d., by American and foreign vessels respectively; 8,500 bushels corn at 5½d., in bulk; 800 tcs. beef at 3s. 6d. and 6s.; 500 pkgs. lard and bacon at 20s. a 25s. To London there were taken 2,500 bbls. flour at 2s. 6d., 3,500 bushels wheat at 8d., in bags; 350 tcs. beef at 6s., and 300 boxes bacon at 32s. 6d. To Glasgow 1,300 bbls. flour were engaged at 2s. 6d.

HIDES.—The week's receipts were only 9,570 hides. The sales comprised 23,400 hides, including 2,500 Buenos Ayres, at 31c. cash, usual selection; 2,000 Orinoco, on private terms; 3,200 Porto Cabello, do.; 1,500 Aspinwall at 27c. cash, usual selection; 3,500 Bahia, on private terms; 1,900 Penang, do.; 450 wet salted New Orleans, do.; 250 wet salted Newfoundland, do.; 5,000 city slaughter, part at 10½c. cash, rejecting bad hides; 2,500 country slaughter at 10¼c. a 10⅝c. do.; 1,600 Washington slaughter, on private terms. Stock in importers' and speculators' hands, 236,500 dry hides, 1,000 wet salted do.

HAY was in fair demand at 85c. a $1 for North river.

HOPS were selling pretty freely at 18c. a 27c. for new crop.

LATHS were steady at $1 40 for Eastern, with a very moderate demand.

LEATHER.—Messrs. H. D. Hull & Co. say:—We have no particular change to note in the market for hemlock sole, a moderately active demand having continued throughout the week. A fair number of buyers have made their appearance, principally from the East, and made considerable purchases at prices within the range of our annexed quotations. Orinoco middle and damaged of all kinds continue to be sought after, and are comparatively scarce; other descriptions are in fair moderate supply, the receipts from the tanneries being about equal to the sales. We do not materially alter our quotations, but our outside figures are more readily obtained than last week, and a feeling of great firmness pervades the trade. Oak sole remains in active request without change in prices. Upper, in the rough, is in very limited supply, but the demand is only moderate; prices, however, are well maintained.

OILS were in moderate request at full quotations.

PROVISIONS.—Pork sold to the extent of only 750 bbls., at $14 75 a $14 87 for old mess, $16 75 for new mess and $11 50 a $13 75 for prime. Beef was in fair demand, with